

# Exhibit L



April 6, 2018

Mr. Michael E. Rokos, CAMS  
First Vice President, BSA Officer  
Apple Bank for Savings  
122 E. 42nd Street  
New York, NY 10168

Dear Mr. Rokos,

We are pleased to confirm our understanding of the services we are to provide for Apple Bank for Savings (the "Bank").

**Statement of Need**

The Bank will be conducting a voluntary Look Back Review of customer activity associated with checks, internal transfers, and monetary instrument transactions for the time period beginning December 15, 2015 through December 31, 2016.

The overall process is to result in the qualified identification of suspicious customer activity with supporting risk-based analysis and documentation for the purpose of reporting such incidents to appropriate authorities.

**Initiative Scope and Activity Guidelines**

GRC proposes to undertake the engagement in two distinct phases. Customer and Data Analytics to produce candidate lists, Investigation and Quality Assurance Review Processes, Project Management and Report Writing, collectively form the major components of GRC's Look Back Review Protocol.

**Phase I** is the assembly of transactions through a set of customized extractions and risk-based Anti-Money Laundering analyses with the outcome of identifying customers/transactions that reflect unusual behavior and require investigation for final disposition. Such analyses will be restricted to checks, internal transfer, and monetary instrument transactions and will be used to identify customers considered as qualified investigation candidates. It is expected that such analyses will include multiple scenario outcome reviews prior to determining final parameter and threshold values.

The effort, timetable, and GRC resources to be applied to **Phase II** is dependent on the findings of the first phase. The hours in Phase II will depend upon the percentage of candidates requiring review and the anticipated duration of each review.

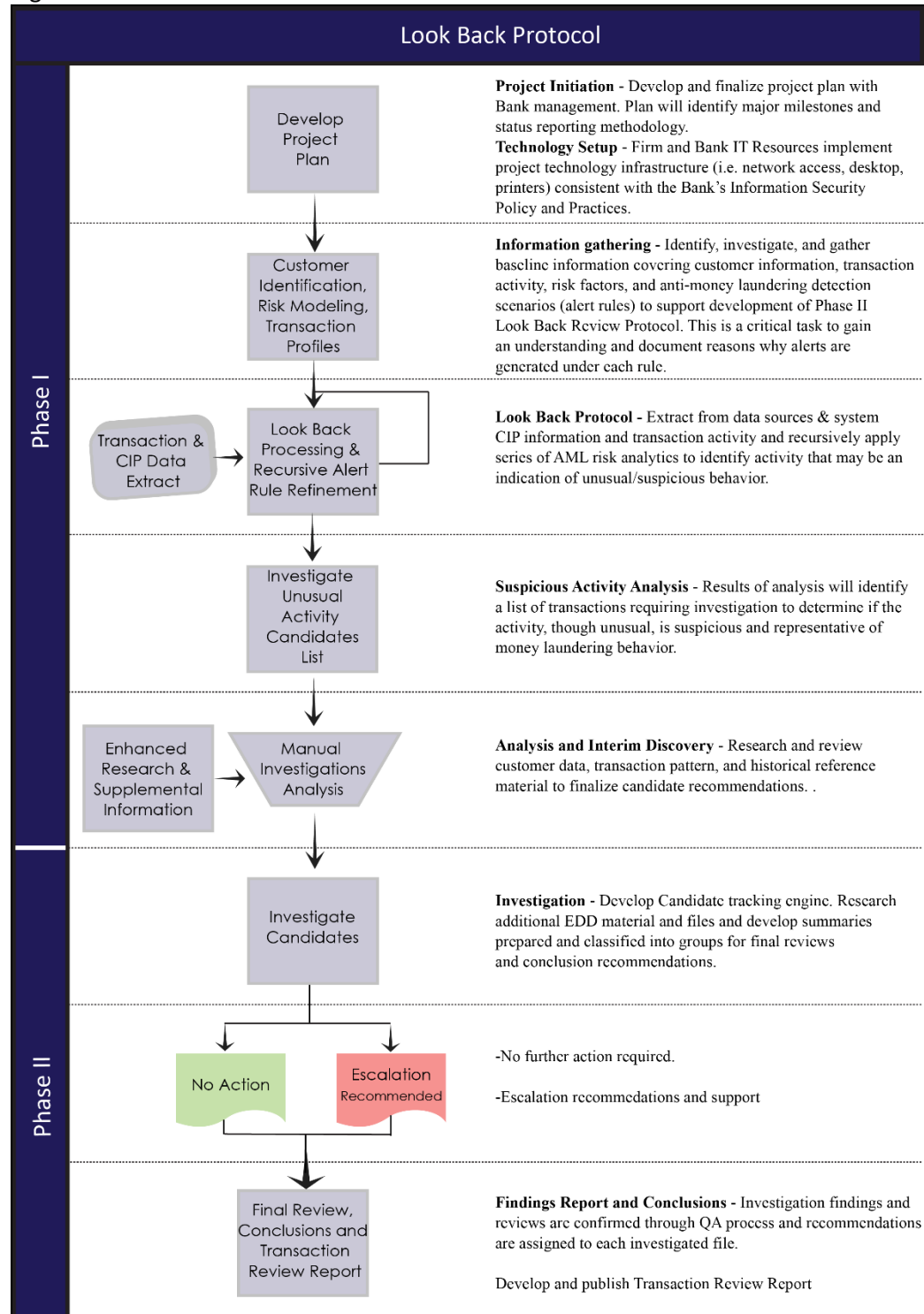
During this phase, GRC will perform a comprehensive investigation into each candidate with the intent of final determination whether the behavior is (a) not high risk or suspicious (Close), or (b) if a candidate's activity is recommended for escalation to Bank management. GRC will rely upon Bank personnel for additional information requests that will be made via a formal Request for Information "RFI" process to be established with the Bank. For each reviewed candidate, the analysis will include documentation to

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support GRC's conclusions. Deliverables for Phase II will include a written report ("Final Transaction Review Report") detailing investigation conclusions, reportable candidates, and recommendation(s) for any further Bank actions.

Figure 1: GRC Look Back Protocol





Phase I Estimated Effort	
Project Role	Role Description
Data Analyst	Responsible for overall project technology management. Identification of source transactions, data extraction, data normalization, rules definition, customer candidate profiles, development and installation of supportive tools for Phase II investigations, and report metrics. Also participates in final report development.
BSA Advisory	Coordinates scenario and Investigation Summary Form (ISF) development, testing and validation between Data Analysts and Bank Management. Responsible for documenting scenario final values, candidate lists, and ISFs used during Phase II investigations. Finalizes Phase II candidate investigation, QA, and reporting methodology.
Project Manager	The Project Manager develops weekly status reports, monitors the workflow, and ensures that the project is moving within an acceptable timeframe. Any issues with respect to completion of the project will be identified and discussed in weekly status update meetings with the Bank. Performs a review of the Transaction Review Report to ensure the analysis information and documentation is appropriately provided and supported.
Managing Director	Managing Director maintains executive responsibility for the Firm's overall project success. Monitors overall quality and progress. Additionally, acts as liaison to the Bank's executive team as required.

The following information describes the Look Back Protocol and GRC's activities to be executed for the Look Back Review:

#### Phase I

**1. Scope Confirmation/Detailed Requirements Analysis (125 hours)**

The Firm will ensure the scope of actual tasks, deliverables, and timelines are in accordance with the Bank's self-directed transaction review effort.

**2. Project Management (250 hours)**

The Firm will develop periodic project status reports and will outline areas in the plan for which the Bank will be responsible to support the initiative. Such items include but are not limited to physical records, system access, data records, and third-party access as required to support the transaction analysis.

**3. Data Advisory (1,110 hours)**

The Firm will identify data extract requirements from the Bank's system(s) and third-party processors that reflect the transactions in scope for the Look Back Transaction Review. The Firm will advise and direct appropriate Bank personnel through performance of proper data extraction. The extracted transaction data will, at minimum, cover the review period; such transaction data will include all opened and closed account-level data, customer identification information, transaction details, and correspondent information in either electronic and/or paper form ("Transaction Data"). The Transaction Data are normalized and incorporated into a database to support Risk Modeling, transaction analysis, reporting, and investigation. The Firm will review with Bank Personnel the resulting extracted data to ensure all qualified transactions are captured (transaction types and time periods). Such activity will be documented in the Transaction Review Report.

Upon receipt of Transaction Data, GRC will perform data reconciliation analysis. If gaps or errors are identified, there will be a delay of deliverables of Phase I activities. In order to meet the timelines outlined in this proposal, the Bank will need to provide the Firm with all requested data by Monday, February 5, 2018. The data request has been provided separately and is included as an appendix to this proposal.

As part of Data Advisory, we will perform the following:



- Ingestion, reconciliation and mapping of source data (MISER System)
- Data integrity processing (e.g., identification of MixedTransaction, IT and MI tran code identification)
- Identify and create methodology for transaction monitoring rules commensurate with transaction types: Checks, Monetary Instruments and Internal Transfers
- Develop/validate methodology to create 'smart alerts' that bundle previously disparate candidate account-sharing configurations which yields Linking and Mirror metrics
- Review ISF form field layout with Advisory team
  - Obtain Bank sign off on structure and format and modify if necessary
- Final rule results run QA validation (Test a representative sample covering all major facets of candidate configuration, including mirrors and linking). Once confirmed, generate candidate ISF forms for the investigators.

**4. Supportive Tools, Investigation Tracking Engine, and Investigation Procedure (600 hours)**

The Firm will develop and install supportive tools, report metrics, and investigation tracking engine in support of Phase II investigation methodology.

We will perform the following:

- Workflow Application
  - Augment software to accommodate new business advisory requirements and modified CRM functionality
  - Workflow Application User Acceptance Training ("UAT")
  - Documenting test results and updating workflow
- On-site Technical Functions
  - Reporting Needs and format
    - Identify ISF data needs
    - Macro development
- Project Structure
  - Project Management Framework
  - Job Aid Investigative Protocol
  - Training Materials
  - QA/QC Methodologies

**5. Candidate Identification (1,000 hours)**

The Firm will develop and apply detection scenarios, thresholds and parameters designed to identify and isolate unusual or suspicious activity which consider placement and layering of funds or suspected financing of terrorist activity. Such transactions will be restricted to checks, internal transfers, and monetary instruments.

As part of the Pre-Launch Investigative Case Process UAT, we will:

- Simulate Case workflow
- Test sample ISF Review
- Customer Information
- Document each scenario/rule break
- Alerted Transaction



- Relationship Grouping
- Macro and ISF comparison and review
- Investigative protocol (testing job aid efficacy)

Application of detection scenarios will identify customers and/or transactions to be investigated during Phase II. Candidates for investigation will be determined based on risk-based criteria in consultation with Bank personnel. We understand that Bank personnel will make the final decision with respect to the number of candidates and the criteria to be investigated for Phase II.

## Phase II

### 1. Weekly Status Reporting

The Firm will prepare a weekly project status report to include measuring number of candidate reviews completed (closed or recommended for escalation) and RFI requests made/completed.

### 2. Investigation of Potential Suspicious Activity

GRC will investigate candidate activities and develop summaries describing the form of unusual activity, document the candidate findings, and establish the basis for closing or escalation. Candidates subject to review may be increased should investigations yield a high percentage of potentially suspicious activity (defined as 5% or greater, and not having had a SAR previously filed). GRC will document such findings and judgments to extend the candidate reviews to candidates representing common characteristics (i.e., hit on common rule) as those yielding potentially suspicious activity.

As represented in Figure 2 (below), GRC's Phase II investigation on-site team will consist of primary and secondary reviewers (Investigation, Quality Assurance Review). Quality Assurance Reviews ("QAR") will be performed against each candidate receiving primary review. All activity will be tracked in a GRC-developed investigation tracking engine to centrally store and analyze findings on a secure server. The Firm's project manager maintains responsibility for project timelines and all activities related to candidate reviews, corresponding Requests for Information ("RFIs"), and preparation of documentation to support recommendation for escalation.

Our Phase II analysts will follow procedures for reviews of this type which may include:

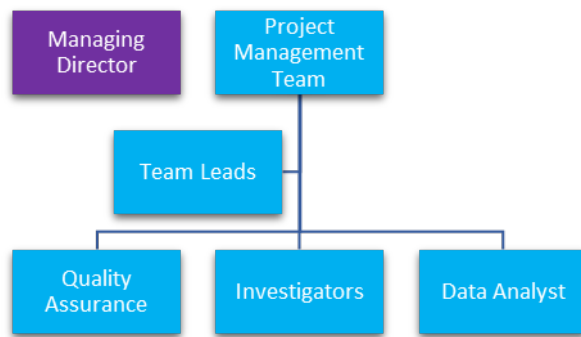
- Determination of whether the Bank has previously filed a SAR in connection with the alerted transactions
- Internet based research
- Searches of Watch Lists such as the OFAC SDN list
- Searches of commercial databases (i.e., LexisNexis)
- Review of additional information obtained from the Bank via RFI process.

### 3. Develop and Publish Final Transaction Review Report

The Firm will prepare a detailed report ("Transaction Review Report") with an executive summary on all findings and/or recommendations for further action(s) by the Bank; the report includes the summary, risk profiles applied, findings, and project materials. The Firm will support knowledge transfer to the Bank's BSA Officer to ensure comprehensive understanding of the analysis methodology, report findings, and recommendations.



Figure 2: Phase II Representative On-Site Project Team Structure



GRC's Phase II timeline and billable hours are directly dependent upon Phase I outcomes, as directed by the Bank. The variables include:

- Total number of candidates to be reviewed
- Agreed-upon Look Back Protocol
- Actual time required to complete each candidate investigation
- Actual time required to QA each candidate
- Percentage of candidates subject to QA review

Below is a representative estimate for Phase II budgeting purposes. GRC will refine its projections upon the completion of Phase I. On-site team Phase II staffing assumptions:

- Number of Investigators: 28-75
- Number of QAs/QCRs: 3-7
- QA sample size: 20%
- Number of teams: 3-7
- Number of Team Leads: 3-7
- Number of Data Analysts: 1
- On-site Project Management Team: 4
- Manager Director: 1
- 50 hour work week

Review period: 12/15/15 – 12/31/16							
Estimated number of candidates to be reviewed	Estimated time per investigation (hours)	QA Sample Percentage	Estimated time per QA (hours)	Total Investigation Hours	Total QA Hours		
5,000	4.5	20	2	22,500	2,000		
7,500	4.5	20	2	33,750	3,000		
10,000	4.5	20	2	45,000	4,000		
12,500	4.5	20	2	56,250	5,000		
15,000	4.5	20	2	67,500	6,000		



Phase II			
Project Role	Rate/Hour	Positions Needed	Role Description
Data Analyst	\$ [REDACTED]	1	Develops and supports Phase II analytics tracking engine, weekly metrics, and functions as liaison with Bank technology and operations departments.
Investigator	\$ [REDACTED]	50	Investigators are responsible for performing the investigation of customer account activity that is flagged for review. This includes conducting research, writing a comprehensive analysis of the account activity with a detailed disposition as to why an alert is being cleared or escalated for further review. Investigators must also prepare Requests for Information (RFI) as needed and discuss with Quality Assurance Leads (QAL) prior to submission.
Quality Assurance/ Quality Control Review	\$ [REDACTED]	10	Quality Assurance Leads (QAL) are assigned a team of investigators within each group. QALs will communicate with Co-PMs on all matters and address any questions/suggestions regarding processes, workflows, changes, enhancements, etc., to them. QALs will review candidate investigations as completed by investigators and ensure related alerts are reviewed in accordance with the Job Aid. QALs will review and meet with the PMT to approve submission of RFIs to the Bank and track those requests until completion.
Team Lead	\$ [REDACTED]	4	Team Leads (TL) are responsible for managing their respective AML investigative teams. TLs reconcile daily metrics, assign cases. TLs are responsible for managing team output and productivity in line with expectations.
Project Management Team (PMT)	Senior Project Manager - \$ [REDACTED]	1 Senior Project Manager	The Project Management Team develops weekly status reports, monitors workflow, and ensures that the project is moving within an acceptable timeframe. Any issues with respect to completion of the project will be identified and discussed in weekly status update meetings with the Bank. Primary responsibility for the development of Transaction Review Report to ensure the analysis information and documentation is appropriately provided and supported. Transaction Review Reports. Post review coordination.
	Project Managers - \$ [REDACTED]	2 Project Managers	
	Junior Project Manager - \$ [REDACTED]	1 Junior Project Manager	On-site coordination of onboarding, training, and resource management.
Managing Director	\$ [REDACTED]	1	Managing Director maintains executive responsibility for the Firm's overall project success. Monitors overall quality and progress. Additionally, acts as liaison to the Bank's executive team as required. Post review coordination.





## Fees

Based on our experience in this type of initiative, as well as our current understanding of your structure, operations and requirements, we have estimated the engagement as follows:

Based on our experience in this type of initiative, as well as our current understanding of your structure, operations, and requirements, our estimates are:

Phase I Timeline - 8 Weeks (dependent on number of scenario iterations and outcome analyses performed): 2/1/18 – 3/31/18

Phase I Estimated Professional Fees: \$ [REDACTED] \*

\*These fees are based on an estimate of hours needed to complete the identification of candidates to be investigated. Such estimate is significantly dependent upon the quality of data received from the Bank and the extent of normalization of data required.

Phase II Timeline (in weeks): Estimations below, dependent on Phase I outcome, analysis, and decisions

Estimated # of candidates for review	Estimated # Investigators	Estimated # QA/QCR	Estimated # Team Leads	Estimated # of weeks	Estimated Weekly Fees	Estimated Total Fees
5,000	28	3	2	17	\$ [REDACTED]	\$ [REDACTED]
7,500	42	4	3	17	\$ [REDACTED]	\$ [REDACTED]
10,000	56	5	4	17	\$ [REDACTED]	\$ [REDACTED]
12,500	63	6	4	19	\$ [REDACTED]	\$ [REDACTED]
15,000	75	7	5	19	\$ [REDACTED]	\$ [REDACTED]

Estimated # of candidates for review	Estimated # of weeks	Start Date	Completion Date	Report Date
5,000	17	4/2/2018	7/30/2018	8/31/2018
7,500	17	4/2/2018	7/30/2018	8/31/2018
10,000	17	4/2/2018	7/30/2018	8/31/2018
12,500	19	4/2/2018	8/13/2018	8/31/2018
15,000	19	4/2/2018	8/13/2018	8/31/2018

Upon your acceptance of this engagement, we will bill you 50% of the total estimated cost for Phase I and the remaining portion will be billed upon completion. For Phase II, we will bill you estimated fees two weeks in advance on an ongoing basis throughout the project. Accordingly, with the expected Phase II start date of April 2, 2018, we will issue the first invoice by March 19, 2018 to be paid upon receipt.



In addition to our basic fee, we will also bill you for an additional allocated administrative overhead factor of 3% on total gross fees. Accounts not paid within 15 days of receipt of invoice may be subject to a 1.5% monthly finance charge. Actual out-of-pocket expenses will be billed for local travel costs. We also request that the Bank designate one individual to function as the liaison for coordinating our services to the Bank.

The terms of this engagement are subject to the Master Service Agreement executed April 6, 2018.

Best regards,

GRC Solutions

**RESPONSE:**

This letter sets forth the understanding of Apple Bank for Savings for the Lookback Review.

Authorized Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_